

0015
57-2762-A

OCT 4 1957

Honorable Franklin G. Floete
Administrator
General Services Administration
Washington 25, D. C.

Dear Mr. Floete:

On August 28, 1957, you forwarded to this Agency for review and comment, a proposed General Services Administration General Regulation entitled, "Small Business Set-aside Program."

We have reviewed this proposed Regulation and do not have any suggestions for changes. Accordingly, we have no objection to its publication as a General Regulation. In our opinion, however, strict compliance with the procedures of the Regulation would create serious security problems and conflict with the responsibility imposed upon the Director of Central Intelligence by Section 102(d) of the National Security Act of 1947. In such cases we would be required to comply with the provisions of the National Security Act to the extent of any conflict with the General Regulation. For example, matters pertaining to classified contracts are handled even within our own procurement office on a "need-to-know" basis. It is evident, therefore, that application of this principle to non-Agency employees, even though cleared, is a logical extension of this policy. This, however, should not affect our ability to adhere to the principles enunciated in the Regulation in supporting the objectives of the Small Business Act.

Sincerely,

Handwritten signature

L. K. White
Deputy Director

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OL/ADL/WHM/d1 (2 Oct 57)
OL/PD/WSW/hp (3 Oct 57) (Retyped)

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